

NATIONAL -- Regulators ponder role in light of changing technologies

PORTLAND, Ore. - State regulators need to take a new legal and analytical approach to overseeing and regulating telecommunications services in order to keep up with new, emerging technologies, according to Peter Bluhm, director-telecommunication research and policy for the National Regulatory Research Institute.

At a morning panel discussion on the final day of the National Association of Regulatory Utility Commissioners' summer meetings in Portland, Ore., Mr. Bluhm suggested that regulators abandon their reliance on "categorical" decision-making processes and attempts to classify services as "telecommunications" versus "information" or "local" versus "toll" within the confines of the 1996 federal Telecommunications Act.

Taking into consideration the rapidly changing technological landscape, Mr. Bluhm suggested a more pragmatic approach to regulation by instead focusing on the functional needs of the customer and asking questions relating to the service being offered, the problem or issue at hand, and what is expected by consumers.

New technologies will shift the role of the regulator from rate-making to preserving or extending public benefits, according to Mr. Bluhm. Regulators will see an increased role in protecting "market function" by reviewing mergers, acquisitions, and similar transactions, while also taking on the responsibility of promoting private and public investment, he said. Additionally, state regulators can expect to gain a more active role in administering and overseeing broadband grants, Mr. Bluhm added.

Meanwhile, District of Columbia Public Service Commissioner Betty Ann Kane reminded her colleagues of their responsibility to preserve "safe, reliable, and affordable utility services." However, she said that such a responsibility is not as easily defined in telecommunications as it is in other sectors such as electricity or gas. Sometimes, a regulator needs to step back, let the market prevail, and instead act as a "back stop" for market failure, Commissioner Kane said.

Going forward, Commissioner Kane suggested that existing policies may need to be updated. For example, she pointed out that "universal service" currently requires just the provision of dial-tone service, but at the same time also requires "equal access" and therefore may need to be updated in order to include broadband or other advanced services.

Shifting the focus to how public safety and enhanced "911" (E911) functionality also must adapt to new technologies, Indiana State Treasurer Richard Mourdock, who also serves as chairman of the state's E911 advisory board, discussed why Indiana's E911 network is "considered the best in the world." He said that the state's 92 counties all have a wireless network that supports full Phase II E911 capability.

Much of the success of the state's E911 network is based on "single point accountability," he said. The state's Legislature determined several years ago that one, statewide elected official should be in charge and held accountable for overseeing E911.

"If you want to slow a process, put in place a whole committee to solve a problem," Mr. Mourdock said.

Mr. Mourdock explained that the state's E911 system has the redundancy to pass information from county to county, and will soon have the capability to detect which floor of a building a 911 call is coming from.

In the future, however, the ability to send and receive text messages will have to be incorporated into the functionality of the E911 system, Mr. Mourdock said. The ability to send and receive pictures may also be a part of the E911 network in the future, he added.

"The world is changing so quickly in telecom that the only thing we can be sure of is that regulators can't keep up," Mr. Mourdock said. "We need regulatory flexibility to allow for new innovation and technology."

In Indiana, Mr. Mourdock pointed out, "we are not waiting for a group of federal bureaucrats to come with a 'one-size-fits-all' standard for E911." He added: "We can do better on our own." - Carrie DeLeon, carrie.deleon@wolterskluwer.com

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